

King County Benchmarks

2004

Affordable Housing

Housing Markets in King County Reflect Unusual Economic Conditions

In 2004 the median home price in King County was \$293,000 - a rise of 9.3% from 2003.¹ Yet rents have fallen by over 4% in the past two years. This discrepancy in the two markets warrants some explaining.

Some aspects of housing affordability are fairly predictable from year to year. When employment falls in times of recession it is normal for demand to fall and housing costs (both home prices and rents) to stabilize or decrease. Ordinarily, this results in a gradual slowing of new residential building starts, and a moderation of supply. When the economy improves, demand increases again, and unless supply is overabundant, housing costs will usually rise.

The rental market has exhibited exactly this pattern over the past five years. Rents increased only 1.5% from 2001 to 2002, after several years of increasing at about 5% or more per year. As the effects of high unemployment in King County were felt, they fell 2% in both 2003 and 2004. The fortunate result is that over half of King County's cities now have sufficient rental housing for those making about 50% of median income. However, the supply of affordable housing for the 65,000 renter households in King County who make 30% of median income or below remains almost non-existent. Even those earning about 40% of median income (around \$24,000 per year) will find it extremely difficult to find rental housing they can afford.

On the other hand, the sale market is behaving in somewhat unorthodox ways. Because mortgage rates fell regularly from 1999 - 2003, home purchase was becoming more affordable. This year, however, the affordability gap for a median income family has grown once again.

¹Based on data for the first 10 months of 2004. Median price had risen to \$299,000 by the third quarter of 2004.

Important Note for Affordability in 2004

Median household income is a key factor in determining the affordability of housing. The Benchmark program depends on the estimate of median family income provided by the U.S. Department of Housing and Urban Development (HUD) during intercensal years. From that base median income, various income levels, by size of household, are calculated. In 2001-2003 HUD may have over-estimated the median family income for King County, not accounting adequately for the recession. In 2004 it has revised that estimate downward. The table of HUD income levels and affordable housing costs on page two includes this downward revision. As a result of applying this correction, housing that appeared affordable last year (because households were assumed to be earning more) appears less affordable this year. This affects many of the indicators in this bulletin. The current estimates of affordability are considered more accurate than last year's estimates.

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Although unemployment caused considerable stagnation in the County's economy, incomes continued to inch up very slowly, and many moderate income households decided to buy a home while the interest rates remained favorable. Thus, in a time of recession, we've had an energetic housing market, and home prices have risen.

The demand, fueled by low interest rates, has been met by a healthy supply of new housing coming onto the market - both condominiums and townhomes, and detached-single family homes. These homes are being built as infill in older cities, as well as on newly-platted lots on the fringe of growing cities.

Following a trend found in many other areas of the U.S., over the last four years King County has been building close to one new housing unit per new person in the County - over 40,000 new units for a population increase of about 50,000 persons. This is an almost unprecedented rate of housing growth, and one that some economists worry cannot be sustained in the long term.

(continued on page 16)

What We Are Doing

King County has had considerable success in creating and preserving affordable units in 2003. Preserving units refers to investing in the rehabilitation of a building or dwelling unit with a guarantee of long-term affordability. The 1,750 units additional affordable units created or preserved in 2003 are the result of both local funding and a variety of incentive programs that encourage developers to build affordable units. This compares favorably to the 1,400 units created or preserved in 2002.

For the coming year, King County and its cities have already pledged \$11.6 million in local, state, and federal funds for 15 regional housing projects. This funding will help to create, preserve or rehabilitate 784 affordable housing units in the county.

(continued on page 10)



There has been a long-term trend in a positive direction, or most recent data shows a marked improvement



There has been little significant movement in this Indicator, or the trend has been mixed

Indicator Flags



There has been a long-term negative trend, or the most recent data shows a significant downturn



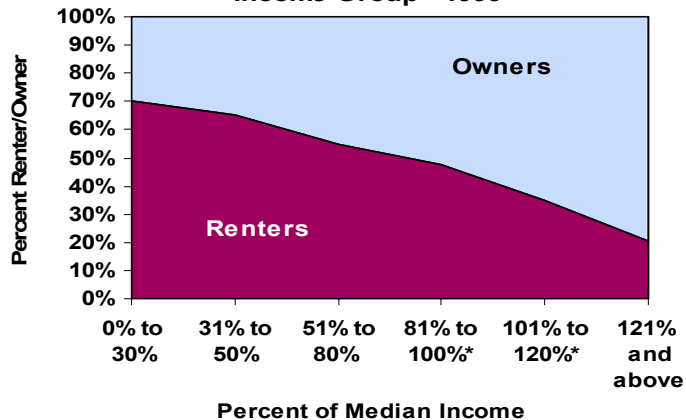
There is insufficient reliable data for this Indicator

Metropolitan King County Countywide Planning Policies Benchmark Program

Background Profile of the Rental Market

- The universe of renters and the universe of owners are distinct in their income characteristics. Half of renter households earn less than 67% of the median income for King County.
- Because of this differential, an adequate supply of affordable rental housing is crucial to meet the needs of the more than 106,000 rental households that make less than 50% of median income.

Percent of Renter vs. Owner Households by
Income Group - 1999



Countywide Planning Policy Rationale

"Planning and monitoring for affordable housing should use the median household income for King County indexed by household size, published annually by the U.S. Department of Housing and Urban Development [H.U.D.] Calculations of affordable house prices should assume standard Federal Housing Administration lending criteria and minimum down payments." (AH-5)

2003 - 2004 HUD Income Levels and Housing Costs*

For the affordable home price this table uses a 5% down payment on a 30 yr. mortgage at 5.5% interest. Actual interest rates averaged 6.25% in 2002, 5.5% for 2003, and is expected to average about the same for 2004.

Percent of Median Income		One Person	Two Person	Average Household (2.4 Person)	Three Person	Four Person
30%	Annual Income	\$ 15,100	\$ 17,300	\$ 18,100	\$ 19,400	\$ 21,600
	Affordable Monthly Hsg Payment	\$ 315	\$ 360	\$ 377	\$ 404	\$ 450
	Affordable Rent	\$ 378	\$ 433	\$ 453	\$ 485	\$ 540
	Affordable Home Price	\$ 58,300	\$ 66,800	\$ 69,900	\$ 74,900	\$ 83,400
50%	Annual Income	\$ 25,200	\$ 28,800	\$ 30,200	\$ 32,400	\$ 36,000
	Affordable Monthly Hsg Payment	\$ 525	\$ 600	\$ 629	\$ 675	\$ 750
	Affordable Rent	\$ 630	\$ 720	\$ 755	\$ 810	\$ 900
	Affordable Home Price	\$ 97,300	\$ 111,200	\$ 116,600	\$ 125,100	\$ 139,000
80%**	Annual Income	\$ 40,200	\$ 46,000	\$ 48,300	\$ 51,800	\$ 57,500
	Affordable Monthly Hsg Payment	\$ 838	\$ 958	\$ 1,006	\$ 1,079	\$ 1,198
	Affordable Rent	\$ 1,005	\$ 1,150	\$ 1,208	\$ 1,295	\$ 1,438
	Affordable Home Price	\$ 155,300	\$ 177,700	\$ 186,600	\$ 200,100	\$ 222,100
100%	Annual Income	\$ 50,300	\$ 57,500	\$ 60,400	\$ 64,700	\$ 71,900
	Affordable Monthly Hsg Payment	\$ 1,048	\$ 1,198	\$ 1,258	\$ 1,348	\$ 1,498
	Affordable Rent	\$ 1,258	\$ 1,438	\$ 1,510	\$ 1,618	\$ 1,798
	Affordable Home Price	\$ 194,300	\$ 222,100	\$ 233,300	\$ 249,900	\$ 277,700
120%	Annual Income	\$ 60,400	\$ 69,000	\$ 72,500	\$ 77,600	\$ 86,300
	Affordable Monthly Hsg Payment	\$ 1,258	\$ 1,438	\$ 1,510	\$ 1,617	\$ 1,798
	Affordable Rent	\$ 1,510	\$ 1,725	\$ 1,813	\$ 1,940	\$ 2,158
	Affordable Home Price	\$ 233,300	\$ 266,500	\$ 280,000	\$ 299,700	\$ 333,300

*HUD revised its median family income for 2003 - 2004 downward to \$71,900 (from \$77,900). This table uses that new median household income figure as the basis for calculating other household incomes by household size and percent of median income. **This table shows a "true 80%" of median income figure for our region. Official H.U.D. income eligibility tables show an "80%" that reflects 80% of the national median income, but is closer to 70% of the King County area's median income.

Outcome: Provide Sufficient Affordable Housing for All King County Residents

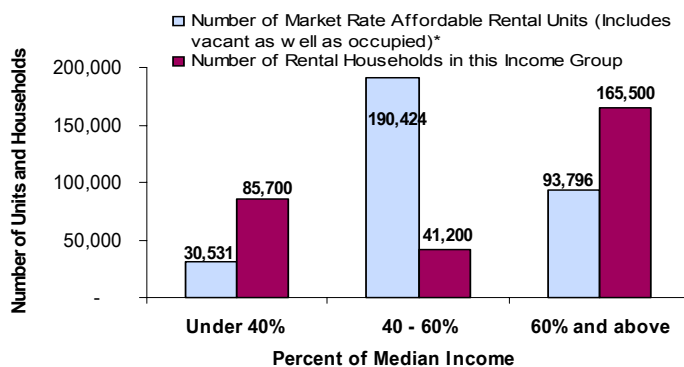
Indicator 21: Supply and Demand for Affordable Rental Housing



Countywide Planning Policy Rationale

"All jurisdictions shall plan for housing to meet the needs of all economic segments of the population." (AH 1)....Each jurisdiction shall participate in developing Countywide housing resources and programs to assist the large number of low and moderate-income households who currently do not have affordable, appropriate housing. These Countywide efforts will help reverse current trends which concentrate low-income housing opportunities in certain communities, and achieve a more equitable participation by local jurisdictions in low income housing development and services. **Countywide efforts should give priority to assisting households below 50% of median-income that are in greatest need and communities with high proportions of low and moderate income residents (AH-2)**King County shall report annually on housing development, the rate of housing cost and price increases and available residential capacity Countywide." (AH-4)

Fig. 21.1

Supply and Demand for Rental Units
in King County: 2003

*There are approximately 30,000 subsidized rental units in King County. Most of them are not included in this market rate unit count.

Key Trends

- There are only about 315 market-rate rental units in King County which are affordable to the 65,000 renter households earning 30% of median income or less. A household in this income group earns \$18,100 or less, and can afford \$450 or less for rent. There are no affordable units for 99.5% of this lowest income group.

Fig. 21.2

Supply and Demand for Affordable Rental Housing: 2004

Percent of Median Income of HH	Upper Income Break	Affordable Rental Range in 2004*	Number of Market Rate Affordable Rental Units (Vacant as well as occupied)**	Number of Rental Households in this Income Group	Cumulative Deficit or Surplus of Supply to Demand***
Under 30%	\$ 18,100	Under \$450	315	65,000	(64,685)
30 - 40%	\$ 24,160	\$450 - \$600	30,216	20,700	(55,169)
40 - 50%	\$ 30,200	\$600 - \$750	107,959	20,500	32,290
50 - 60%	\$ 36,240	\$750 - \$900	82,465	20,700	94,055
60% - 80%	\$ 48,300	\$900 - \$1200	74,911	39,400	129,565
80% and above		Over \$1200	18,885	126,100	22,350
Median Household Income = \$60,400			314,750	292,400	22,350***

*This data is updated and estimated from the 2002 American Community Survey, Table 3 "Selected Economic Characteristics, and the 2000 Census: DPT 4 "Selected Housing Characteristics". The affordable rental range reflects different household sizes with different incomes and needing different unit sizes. Most units under \$700 are studio or one bedroom units, not suitable for a household of more than 2 persons. These numbers include single family as well as multifamily rentals. **The total number of vacant units is 22,350, equivalent to excess of supply over demand.*** In addition to the market rate units, there are approximately 30,000 subsidized units available to qualifying low income households.

- An additional 20,700 renter households earn 30 - 40% of median income. At the top of this range, households can afford no more than \$600 for rent. The average price for a one-bedroom unit in King County was \$739 in 2004.
- There are approximately 30,500 affordable units available to house the 85,000 households earning under 40% of median income.
- This creates a deficit of over 55,000 market-rate rental units for the two lowest income groups.
- When households pay more than 30% of their income for rent, resources are diverted from other necessities such as food, healthcare, and utilities.
- The deficit in market-rate affordable housing is partially compensated for by 30,000 subsidized housing units in King County. However, when these are included, there are still at least 25,000 households with no access to affordable housing. Households of more than two persons, who need larger units, are especially at risk.
- Subsidized units are available through Section 8 rental vouchers, in public housing developments, or through public/private projects which guarantee that a proportion of their units will be affordable at below-market rents.
- Many of the subsidized units are available to those earning up to 80% of median income. But there is a surplus of market-rate rental housing affordable to those earning 50% to 80% of median income and above.
- Practices which subsidize rents affordable to those above 50% of median income may limit the supply of subsidized housing for the lowest income groups.

Outcome: Provide Sufficient Affordable Housing for all King County Residents

Indicator 22: Percent of Income Paid for Housing



Countywide Planning Policy Rationale

"All jurisdictions shall provide for a diversity of housing types to meet a variety of needs and provide housing opportunities for all economic segments of the population. All jurisdictions shall cooperatively establish a process to ensure an equitable and rational distribution of low-income and affordable housing throughout the County..." (FW 28). "The Growth Management Planning Council...shall evaluate achievement of Countywide and local goals for housing for all economic segments of the population. [It] shall consider annual reports prepared under policy AH-5 as well as market conditions and other factors affecting housing development. If the Growth Management Planning Council... determines that housing planned for any economic segment falls short of need for such housing, the Growth Management Planning Council...may recommend additional actions." (AH-6)

Key Trends

There are no new data available for 2003. An update will be available in 2005 based on the 2004 American Community Survey.

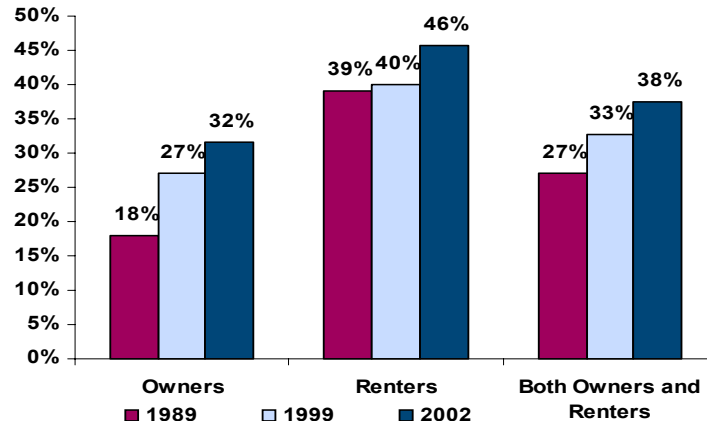
- Among all households, the proportion paying more than 30% of their income for housing costs has risen from 27% to 38% since 1989. This means that nearly two out of five King County households pay more for housing than they can comfortably afford.
- When households pay more than 30% of their income for housing, resources are often diverted from other essentials such as food, healthcare, clothing, and utilities.
- This is particularly critical for low-income households most of whose income goes for basic necessities. These households are also at a greater risk of homelessness.

Renter Households

- Renter households, whose average income is lower than owner households, are more likely to have to pay more than they can afford for housing.
- In 2002, 46% of renter households were paying more than 30% of their income for housing. This was a sharp increase from 39% in 1989 and 40% in 1999.
- This increase in households paying more than they can afford is somewhat surprising since vacancy rates were up and rents were stabilizing in 2002. Low and moderate income households may have been particularly hard hit

Fig. 22.1

Percent of Households Paying More than 30% of Income for Housing Costs



1989 and 1999 data is from the decennial census of 1990 and 2000. The 2002 data is from the American Communities Survey (ACS) conducted by the Census Bureau. Because the ACS is a sample survey it is considered somewhat less reliable than the census data.

by job losses or the transition to a lower-paying job during the 2001 - 2003 recession.

- The fact that 46% of rental households are having difficulty with housing costs suggests that even in a relatively affordable rental market, low income households are at a disadvantage. There is clearly not enough housing - market-rate or subsidized - that is affordable to the lowest income groups.
- According to the 2000 Census, the lower a household's income is, the more likely it is to pay a high percentage of its income for housing costs. About 74% of *renter* households in the *two lowest income categories* (those earning less than half of the County median income) paid more than they could afford for housing.
- Without the maintenance and expansion of subsidized housing, tens of thousands of households will pay more than they should for housing.

Owner Households

- The rise in the proportion of households paying more than 30% was sharpest for owner households - especially between 1989 and 1999.
- In 2002, 32% of owner households paid more than they could afford for housing, while in 1989, only 18% paid more than their means. In 1999, 27% overpaid for housing.
- 62% of *owner* households in the *two lowest income categories* paid more than 30% of their income for housing in 1999.
- While the rise in owner costs is cause for concern, it is less likely to compromise those households' essential needs. Since owner incomes are typically over 80% of median income, the extra proportion spent on housing usually leaves adequate resources for food, clothing, and other necessities.
- However, high housing costs may significantly reduce a household's ability to save for future needs, such as college tuition, or retirement.

Outcome: Provide Sufficient Affordable Housing for all King County Resident

Indicator 23: Homelessness



Countywide Planning Policy Rationale

"Countywide programs should provide the following types of housing and related services: 1) Low income housing development, including new construction, acquisition, and rehabilitation; 2) Housing assistance, such as rental vouchers and supportive services; 3) Assistance to expand the capacity of nonprofit organizations to develop housing provide housing related services; 4) Programs to assist homeless individuals and families; 5) Programs to prevent homelessness; and 6) Assistance to low and moderate-income buyers. (AH-2A)

Fig. 23.1

Estimated Number and Percent of Persons who are Homeless				
	2000	2002	2003	2004**
Street Count	1085	2,040	1,899	2,216
Shelter/Transitional Inventory	4500	4,675	4,617	na
Est. Uncounted*	915	1,265	1,500	na
Total Homeless Est.	6,500	7,980	8,016	na
Percent of Population	0.37%	0.45%	0.45%	

*This includes an estimate of those missed in the street count, and those living outside of shelters in the balance of the County where no street count is taken.

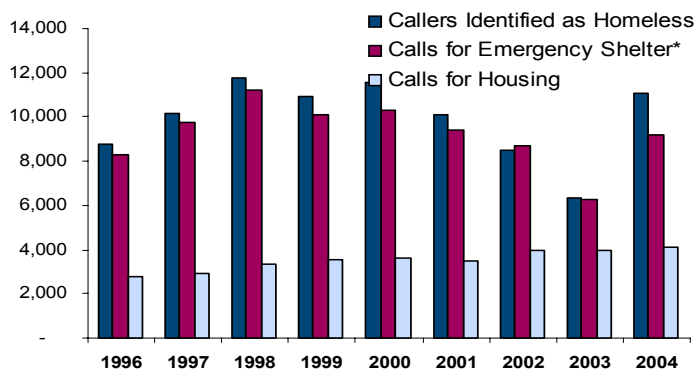
**The count for 2004 included new areas in White Center, and parts of the Eastside.

Key Trends

- The street count of homeless persons showed an increase of 12% from 2003 to 2004, when only areas counted in both 2003 and 2004 were compared. Additional persons were counted in areas in White Center and parts of the Eastside. These areas were not previously included in the count.
- The total population of homeless persons for 2003 was estimated at over 8,000 on a typical night. This amounts to 0.45% of the population of King County, or about one person out of every 220 residents.
- Factors underlying homelessness include domestic violence, poverty, the high cost of housing, disabilities, family crises, and discharge from institutions with no housing plan in place.
- 26% of individuals in emergency shelter and transitional housing were employed. The greatest deficit in affordable housing is for those earning less than 30% of median income (under \$15,000 for a single person). This would

Fig. 23.2

Housing Related Requests on the Community Information Line: 1996 - 2004



* 728 of the callers seeking shelter in 2004 specifically requested domestic violence shelter.

include individuals who are working full-time at \$7.50 to \$8.00 per hour. They can afford less than \$400 per month in rent.

- In 2002, 13.2% of all King County households earned less than 30% of median income. Only 0.3% of housing units were affordable to that income group.
- Poor economic conditions over the past several years have contributed to unemployment and increased the risk of homelessness. More single men in the 34-55 age range, who have some job skills, have appeared in shelters, compared to the numbers of younger men with fewer job skills.

Sub-Regional Concerns

- Although 85% of emergency shelter and transitional housing are located in Seattle, only 52% of those using them reported Seattle as their last permanent address. 26% reported a last address in King County outside of Seattle. Others come from outside the County.
- There are no emergency shelters on the Eastside for single, homeless women who are not the victims of domestic violence. There is just one nine-bed shelter for women in South King County.

What We Are Doing for the Homeless

- Providing \$1 million annually in operating support for transitional housing programs, and for rental assistance to homeless families with children, using state grant funds. From mid-2003 through mid-2004, these funds housed 483 families for up to 12 months.
- Supplying \$350,000 in federal and county funds for emergency and rental assistance, housing counseling, and other services for people at risk of becoming homeless.
- Providing emergency shelter in King County outside of Seattle, serving 1,464 homeless households in 2004.
- Allocating \$1,584,000 in Regional Affordable Housing Operations and Maintenance (RAHP) funds – a new funding source – to transitional housing and emergency shelter programs throughout King County including Seattle. These allocations are for the period from July 2004 through December 2006.
- Spending over \$3 million annually for permanent supportive housing for 550 homeless persons with disabilities.

Outcome: Increase Affordable Home Ownership Opportunities

Indicator 24: Home purchase affordability gap for a) buyers with 80% of median household income (typical first-time buyers); and b) buyers with median income



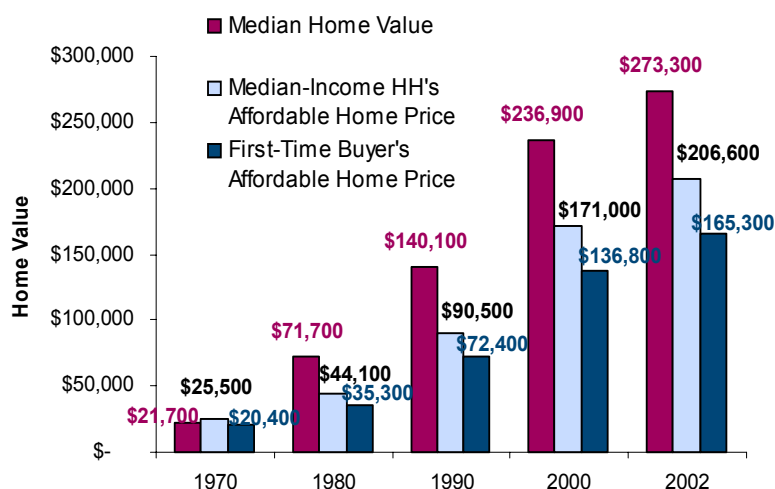
Countywide Planning Policy Rationale

"Within the Urban Growth Area, each jurisdiction shall demonstrate its ability to accommodate sufficient affordable housing for all economic segments of the population. Local actions may include zoning land for development of sufficient densities, revising development standards and permitting procedures as needed to encourage affordable housing, reviewing codes for redundancies and inconsistencies, and providing opportunities for a range of housing types, such as accessory dwelling units, manufactured homes, group homes and foster care facilities, apartments, townhouses and attached single family housing." (AH-1)

Key Trends

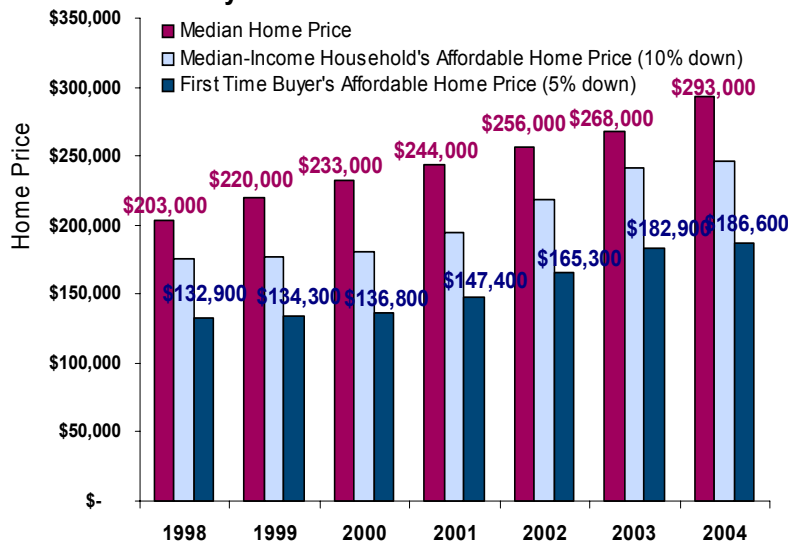
- The median price of a home in King County was \$293,000 for the first 10 months of 2004. This median includes condominiums, townhomes, and detached single-family homes.
- The 2004 median price of a home represents an increase of about 9.3% over 2003, the largest increase since 1998.
- The median price rose sharply in the second quarter of 2004, and settled at about \$299,000 in the third quarter.
- Low interest rates, along with modest signs of a recovering economy, continue to fuel the very active housing market in King County.
- Fig. 24.2 reflects new estimates of the affordable home prices for 2002 - 2004, based on the downward revision of income estimates for those years (see box on page one).
- The affordability gap once again appears considerable for both median-income households and typical first-time buyers.

Fig. 24.1 Affordability Gap for Median Income and First-Time Buyer Households: Census Series



The series above (Fig. 24.1) is based on the home values reported by homeowners for each decennial census. It differs somewhat from the median price of all closed home sales reported by the Northwest Multiple Listing Service and used in Fig. 24.2 below. For 2002, the home value reported is based on the American Communities Survey conducted by the Census Bureau.

Fig. 24.2 Affordability Gap for Median Income and First-Time Buyer Households: Recent Year Series



Gap for Median Income Households

- A median-income household in King County could afford a home costing about \$246,200 in 2004, assuming a down payment of 10%.
- With the median home price at \$293,000, there was a gap of nearly \$46,800, or about 16% of the median home price of a home.
- This compares to a gap of \$26,600 in 2003, or about 10% of the median price of a home. This made 2003 the best year for buying a home in the past decade.
- In 1990 the gap was \$44,600, or approximately 32% of the median home price. Not since 1970 has the median-income household been able to easily afford the median-priced home.
- 1998 was also a good year for buying a home. The gap was \$27,600, or about 13.5% of the median home price. Interest rates had fallen, wages were up, and prices had not yet caught up. The gap rose again to 19.5% in 1999.

Gap for First-Time Buyer Household

- In 2004, a first-time buyer could afford about \$186,600 for a home. This is \$106,400 less than the median-priced home. In 2004, only about 15% of homes sold for \$187,000 or less.
- A typical first-time buyer earns about 80% of median income. A down payment of just 5% is

(continued on page 7)

Indicator 24 (continued)

assumed for first-time buyers, since they have no existing equity in a home.

- This is the highest gap in dollar amount for the last decade. However, at 36% of the median price, the gap is a lower than the average for the decade.
- In both 1980 and 1990, the median-priced home was valued at nearly twice what the first-time buyer could afford.
- Overall, home purchase affordability has declined somewhat in 2004, but homes remain more affordable than in the early 1990s.

For Comparison

- According to Coldwell-Banker's home price comparison index for 2004, a four-bedroom, 2 1/2 bath home in Seattle would cost about the same as in St. Paul, MN, Sacramento, CA, Annapolis, MD, or Ann Arbor, MI, but much less than in nearly all the communities in the Bay Area, Southern California, Hawaii, greater Boston, Chicago, Fairfax County, VA, New York City, New Jersey, or Vancouver, B.C.
- Based on an average four bedroom home price of \$341,333, Seattle received

an index of 96 (100 = \$356,000, the average for all 300 markets surveyed).

- Last year Seattle's index number was 102, placing it just above the average for all markets.
- A home in Seattle would cost more than in most southern or midwestern locations. However, incomes in this region are also proportionately higher. Median household income in King County is about 140% of the national median income.
- A home in Bellevue (Index 139 in 2004, Index 144 in 2003), while cheaper than one in most of the Bay Area, Southern California, Hawaii, or Chicago, would cost about the same as a home in Philadelphia, Fairfax County, VA, Miami, FL, Bethesda, MD, or Framingham, MA. It would cost more than most other parts of the country.

Outcome: Increase Affordable Home Ownership Opportunities**Indicator 25: Home Ownership Rate****Countywide Planning Policy Rationale**

"Countywide programs should provide...low-income housing development, including new construction, acquisition, and rehabilitation; [and]...assistance to low and moderate income home buyers. (AH-2A)

Fig. 25.1

Home Ownership Rate					
Year	1970	1980	1990	2000	2002-2004*
King County (overall)	63%	62%	59%	60%	61%
Seattle / Bellevue / Everett Metropolitan Area*	65%	64%	65%	63%	64%
Washington State	67%	67%	62%	65%	67%
United States	63%	64%	64%	67%	68%

2002 data for the Metro area, state and U.S. is from the Current Population Survey (CPS) and Annual Housing Survey (AHS), conducted by the Census Bureau. Because they are sample surveys, they are somewhat less reliable than the decennial census figures. The estimate for King County is based on recent permit data (through 2004), home-buying trends, and the 2003 ACS (Census bureau) survey.

Key Trends

- Based on recent permit activity, and on home-buying trends, it is estimated that King County's home ownership rate has risen above 61% for the first time since 1980. It could be as high as 62%. The 2003 American Community Survey, based on sample data collected by the Census Bureau, estimates the home ownership rate at 61.9%.
- With continuing low interest rates, and modest signs of a recovery from the recession, more King County households have taken the opportunity to buy a home, many of them for the first time.
- In addition to low interest rates, the availability of lower-priced condominiums and townhomes in the housing market may have provided opportunities for first-time buyers that were not present in earlier years. Purchasing these homes allows first-time owners to build equity towards other homes in the future.

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Outcome: Provide Sufficient Affordable Housing for All King County Residents

Indicator 26: Apartment Vacancy Rate



Countywide Planning Policy Rationale

"The distribution of housing affordable to low and moderate-income households shall take into consideration the need for proximity to lower wage employment, access to transportation and human services, and the adequacy of infrastructure to support housing development ...avoid over-concentration of assisted housing; and increase housing opportunities and choices for low and moderate-income households in communities throughout King County. Each jurisdiction shall give equal consideration to local and and Countywide housing needs." (AH-2)...All jurisdictions shall monitor residential development within their jurisdictions....Housing prices and rents also should be reported...King County shall report annually on housing development, the rate of housing cost and price increases and available residential capacity Countywide." (AH-5)

Fig. 26.1

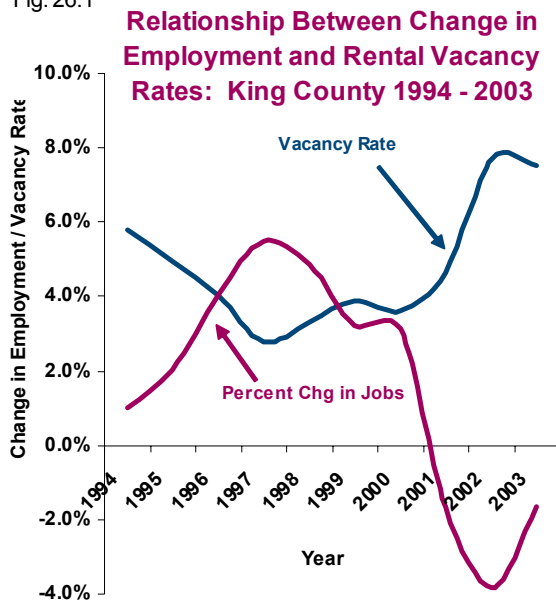


Fig. 26.2

Average Apartment Vacancy Rates in King County Subareas				
	North	South	East	County
1994	4.5%	7.2%	4.0%	5.8%
1996	3.0%	4.9%	2.9%	4.0%
1998	3.0%	2.8%	2.5%	3.3%
2000	3.3%	3.1%	3.0%	3.6%
2002	6.3%	8.0%	7.7%	7.7%
2004	5.8%	7.9%	6.7%	7.2%

Key Trends

- The current apartment vacancy rate in King County is 7.2%, down from 7.7% in 2002, and 7.5% in 2003.
- As the effects of the recession were felt in Seattle, the average vacancy rate rose very quickly from 4.7% in 2001 to 7.7% in 2002. It is still above the "normal market rate" of around 5%.
- The relationship between the rental vacancy rate and the percent change in employment is shown graphically in Figure 26.1. There is a nearly-perfect inverse relationship between change in employment and change in the vacancy rate. As employment increases, the vacancy rate drops; as employment begins to decline; the vacancy rate increases.
- An additional factor has contributed to the high vacancy rates of the past few years. Because mortgage interest rates are low, many middle-income renters have been able to afford to buy their first home. This has reduced the demand for rental housing, while increasing the demand (and price) for home sales.
- Average rents are also inversely-related to vacancy rates. As vacancy increases, rents stabilize or decrease. The average rent for all types of units in King County decreased from \$855 in 2003 to \$841 in 2004. The average rent for a 2 BR / 1 BA unit dropped from \$821 to \$804.

What We Are Doing (continued from page one)

Among these will be 124 new units for the homeless and those at risk of homelessness. 65% of the units will serve households below 50% of median income.

The largest 2005 projects will include:

- the construction of 174 units in south Seattle by SouthEast Effective Development (SEED);
- the rehabilitation of 118 units in Redmond by the Downtown Action to Save Housing (DASH);
- the rehabilitation of a 150-unit complex in Kent, by Intercommunity Mercy Housing;
- the rehabilitation of 84 studio units in downtown Seattle for homeless individuals by Plymouth Housing Group;
- the construction of 111 units in White Center by King County Housing Authority.

Efforts already underway in 2004 are:

- Developing affordable housing at several locations in Urban Planned Developments including 50 units in the Issaquah Highlands UPD and 32 units at Redmond Ridge UPD as part of inclusionary zoning requirements.
- Initiating new cottage housing projects in Kirkland and Redmond.
- Opening *The Gilmore*, located at 3rd and Pine in Seattle, which provides 65 affordable housing units on land formerly owned by King County and set aside for affordable housing development by the Housing Resource Group.
- Opening 50 units of affordable senior housing units at Greenbrier Heights, a project located on surplus County land and supported by the efforts of ARCH, King County and the City of Woodinville.
- Completing significant work on transit-oriented development projects in Seattle, Kenmore, Woodinville, Redmond and King County, which will incorporate affordable housing opportunities into these areas.

(continued on page 16)

Outcome: Promote Affordable Home Ownership Opportunities

Indicator 27: Trend of Housing Costs in Relation to Income

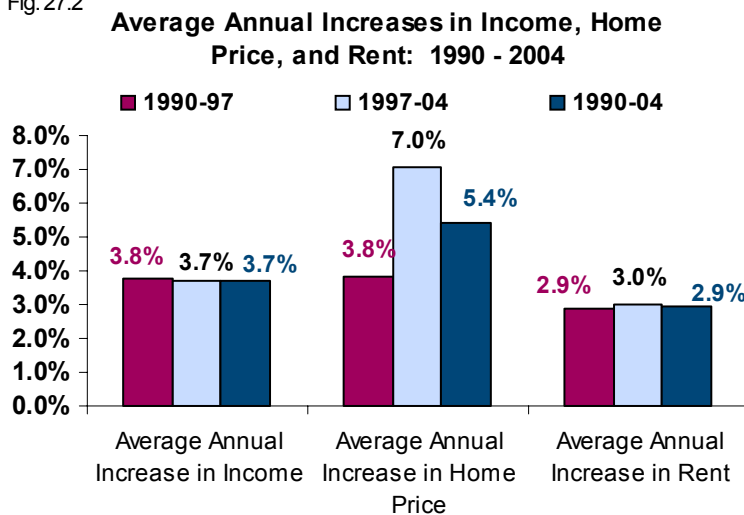


Fig. 27.1

Rate of Increase in Income, Median Home Price, and Average Rent: 1990 - 2004						
Year	Median Household Income	Yearly Percent Increase in Median HH Income	Median Home Price (Condo and Single Family)	Yearly Percent Increase in Median Home Price	2 BR / 1 BA Average Rent	Yearly Percent Increase in 2 BR / 1 BA Rent
1990	\$ 36,200		\$ 140,000		\$ 537	
1997	\$ 46,850	3.8%	\$ 182,000	3.8%	\$ 655	2.9%
1998	\$ 50,150	7.0%	\$ 203,000	11.5%	\$ 708	8.1%
1999	\$ 53,200	6.1%	\$ 220,000	8.4%	\$ 744	5.1%
2000*	\$ 53,200	0.0%	\$ 233,000	5.9%	\$ 784	5.4%
2001*	\$ 55,900	5.1%	\$ 244,000	4.7%	\$ 826	5.3%
2002*	\$ 58,000	3.8%	\$ 256,000	4.9%	\$ 838	1.5%
2003*	\$ 59,200	2.1%	\$ 268,000	4.7%	\$ 821	-2.0%
2004	\$ 60,400	2.0%	\$ 293,000	9.3%	\$ 804	-2.1%

*Median household income figures for 2000 - 2003 are interpolations, based on the fact that H.U.D. overestimated household income in this region during the recession period. The 2004 median income is a revised H.U.D. estimate. Median home price is for condos, townhomes, and detached single family homes in King County.

Fig. 27.2



Notes: The yearly percent increase (or average annual increase) is an annualized rate based on the increase over the previous period. The median home price is for both condos and detached single family homes in King County.

Key Trends

Home Ownership Costs

- Home prices took another sizeable leap ahead during 2004, rising over 9% from 2003. The median home price was \$293,000 for all homes, including condominiums as well as detached and attached single family houses.
- Fig. 27.2 shows that the increase in median income for King County has been very steady over the long term. From 1990 to 1997 incomes rose at an average annual rate of 3.75%, and from 1997 - 2004, at an average annual rate of about 3.70%. During the fourteen years, the rate of growth in income averaged about 3.72% per year.
- Over the long term, home prices rose almost the same as income during the 1990 - 1997 period, while they have outstripped growth in income during the most recent seven-year period (1997 - 2004). The increases in 1998, 1999, and 2004 were particularly large.

- During the fourteen years since 1990, home prices rose at an annual rate of 5.4%, compared to income growth of just 3.7% annually. Even though incomes have not kept pace with home prices, the demand for homes has continued to rise because of strongly favorable mortgage rates.
- This trend could be of concern. If higher interest rates significantly dampen demand for homes, prices could fall. Recent buyers who need to sell their homes in the short-term, or need to refinance, may be faced with higher loans than they can comfortably pay off.
- Some moderate income buyers, lured by low interest conventional mortgages, or by adjustable rate mortgages (ARMs), may also have bought more home than they can realistically afford.

Rental Costs

- Rents, in the meantime, have been falling for the past several years, as low interest rates continued to make home ownership attractive to middle-income renters.
- Rents have historically risen more slowly than median income. More than half of all renter households earn under 70% of median income. They are often the most vulnerable to unemployment, and their incomes may rise more slowly than middle and upper incomes.
- It is likely that both employment rates and interest rates will increase in the coming year, causing rents to stabilize or rise once again.

Metropolitan King County Countywide Planning Policies Benchmark Program

Indicator 28

Fig. 28.1

Local Public Dollars Spent for Low-Income Housing in King County: 2003				
	New & Preserved (CDBG)	New & Preserved (Local)	Housing Repair (CDBG & Local)	Total Discretionary Funding for New, Preserved & Housing Repair
Algona*	\$ -	\$ -	\$ -	\$ -
Auburn	\$ 104,990	\$ -	\$ 150,000	\$ 254,990
Beaux Arts*	\$ -	\$ -	\$ -	\$ -
Bellevue	\$ 140,000	\$ 267,500	\$ 418,480	\$ 825,980
Black Diamond*	\$ -	\$ -	\$ -	\$ -
Bothell	\$ 185,566	\$ -	\$ 8,500	\$ 194,066
Burien	\$ -	\$ -	\$ 59,142	\$ 59,142
Carnation*	\$ -	\$ -	\$ -	\$ -
Clyde Hill*	\$ -	\$ 7,500	\$ -	\$ 7,500
Covington	\$ -	\$ -	\$ 55,466	\$ 55,466
Des Moines	\$ -	\$ -	\$ 15,408	\$ 15,408
Duvall*	\$ -	\$ -	\$ -	\$ -
Enumclaw	\$ -	\$ -	\$ 17,000	\$ 17,000
Federal Way	\$ 207,254	\$ -	\$ 102,000	\$ 309,254
Hunts Point*	\$ -	\$ -	\$ -	\$ -
Issaquah	\$ 120,617	\$ 58,469	\$ -	\$ 179,086
Kenmore*	\$ -	\$ -	\$ -	\$ -
Kent	\$ -	\$ -	\$ 300,000	\$ 300,000
Kirkland	\$ 315,036	\$ 5,000	\$ -	\$ 320,036
Lake Forest Park	\$ -	\$ -	\$ 14,450	\$ 14,450
Maple Valley*	\$ -	\$ -	\$ -	\$ -
Medina	\$ -	\$ 7,500	\$ -	\$ 7,500
Mercer Island	\$ 85,387	\$ 16,966	\$ -	\$ 102,353
Milton	\$ -	\$ -	\$ -	\$ -
Newcastle*	\$ -	\$ 42,000	\$ -	\$ 42,000
Normandy Pk	\$ -	\$ -	\$ -	\$ -
North Bend*	\$ -	\$ -	\$ -	\$ -
Pacific*	\$ -	\$ 0	\$ -	\$ -
Redmond	\$ 50,000	\$ 40,000	\$ -	\$ 90,000
Renton	\$ 15,000	\$ -	\$ 296,002	\$ 311,002
Sammamish	\$ -	\$ -	\$ -	\$ -
SeaTac	\$ 38,390	\$ -	\$ 78,760	\$ 117,150
Seattle ¹	\$1,125,457	\$ 7,050,680	\$1,400,280	\$ 9,576,417
Shoreline	\$ 10,000	\$ -	\$ 161,484	\$ 171,484
Skykomish*	\$ -	\$ -	\$ -	\$ -
Snoqualmie*	\$ -	\$ -	\$ -	\$ -
Tukwila	\$ -	\$ -	\$ 58,000	\$ 58,000
Uninc. King Cty ²	\$ 118,000	\$ 2,311,000	\$1,460,896	\$ 3,889,896
Woodinville*	\$ -	\$ 45,000	\$ -	\$ 45,000
Yarrow Point*	\$ -	\$ -	\$ -	\$ -
Total for County	\$2,515,697	\$ 9,851,615	\$ 4,595,868	\$ 16,963,180
* Allocations are administered through the County and Small Cities Fund of the King County CDBG Consortium by King County				

Notes on Fig. 28.1

¹Seattle expended federal and local funds totalling \$11, 381,691 to construct and preserve 452 affordable rental housing units. These dollars are not reflected in the total above. It also spent \$3,205,554 HOME dollars for affordable multifamily rental housing; \$2,118,222 of state and local funds for weatherization of multifamily rental housing for low-income households, \$1,830,000 homebuyer assistance funds for an estimated 46 households (low-income, first-time homebuyers), \$350,000 local funds for Emergency Rent Assistance Program, \$350,000 HOME funds for the Renter Stabilization Program, \$8,970,866 (\$6,738,806 CDBG; \$534,459 ESG; and \$1,697,601 HOME funds) for emergency shelter and housing-based case management and other community services.

²On behalf of the King County Consortium: \$3,149,562 HOME funds were spent for new units and \$800,000 HOME funds for housing repair; \$300,000 were used for the Housing Stabilization Project, and \$212,000 for Emergency Shelter Grants.

Fig. 28.2

Additional Contributions to Housing						
Operating Subsidies	Units Repaired	ADUs Permitted	Affordable Units from Density Bonuses	Value of Fee Waivers	ARCH Downpayment and ADU Loan Programs	Other (see notes)
\$ -	0	0				
\$ 35,000	70	1				
\$ -	0	0				
\$ 235,760	40	7			\$92,500	\$66,787
\$ -	0	0				
\$ -	1	2				
\$ -	5	13				
\$ -	0	0				
\$ 4,200	0	0			\$5,000	
\$ 14,393	9	0				
\$ -	4	0				
\$ -	0	0				
\$ 5,000	1	0				
\$ 58,200	30	1				
\$ -	0	0				
\$ -	2	3		\$ 6,949	\$5,000	
\$ -	0	4			\$5,000	
\$ 119,777	140	0				
\$ 108,226	2	4	12		\$60,000	\$20,000
\$ -	2	0				
\$ -	0	0				
\$ -	0	0			\$10,000	
\$ -	3	7			\$17,500	
\$ -	0	0				
\$ -	0	0			\$12,500	
\$ -	0	0				
\$ -	0	0				
\$0	0	0				
\$ 55,395	1	0		\$34,603	\$60,000	
\$ 12,088	166	0				
\$ -	0	0				
\$ 41,950	56	4				
\$ 787,035	304	64	121			
\$ 12,000	11	3	4			
\$ -	0	0				
\$ -	30*					
\$ 16,000	21	0				
\$ 181,537	90	11				
\$ -	0	0				
\$ -	0	0				
\$ 1,686,561	958	124	137	\$ 41,552	\$ 267,500	\$ 86,787
*KCHA units rehabilitated						

Notes on Fig. 28.2

¹Seattle permitted or completed 121 affordable units with \$2,687,033 of contributions through the commercial density bonus program; 274 affordable units using \$1,290,040 of proceeds from Transferable Development Rights; and 333 affordable units provided through Multifamily Tax Exemption Program incentives.

²Bellevue allocated \$66,787 to support homelessness prevention; Kent spent \$20,000 of CDBG funds for sprinklers for King County Housing Authority units.

³Units in the Urban Planned Developments are in addition to the 519 units created or preserved by the King County Consortium.

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Outcome: Promote Equitable Distribution of Affordable Low-Income Housing in King County

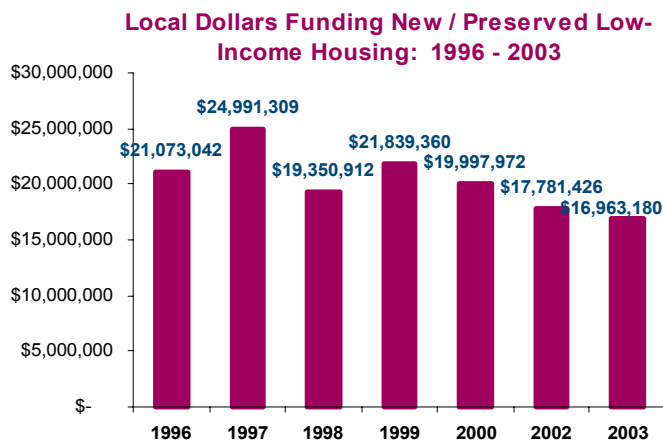
Indicator 28: Public Dollars Spent for Low Income Housing

1

Countywide Planning Policy Rationale

"All jurisdictions shall share the responsibility for achieving a rational and equitable distribution of affordable housing to meet the housing needs of low and moderate-income residents in King County...The distribution shall... recognize each jurisdiction's past and current efforts to provide housing affordable to low and moderate-income households; avoid over-concentration of assisted housing; and increase housing opportunities and choices for low and moderate-income households....Each jurisdiction shall participate in developing Countywide housing resources and programs to assist the large number of low and moderate-income households who currently do not have affordable, appropriate housing. These Countywide efforts will help reverse current trends which concentrate low-income housing in certain communities, and achieve a more equitable participation by local jurisdictions in low income housing...Countywide efforts should give priority to assisting households below 50% of median income...[a GMPC committee]...shall recommend...new Countywide funding sources for housing production and services; participation by local governments, including appropriate public and private financing, such that each jurisdiction contributes on a fair share basis...Each jurisdiction should apply strategies which it determines to be most appropriate to the local housing market. For example, units affordable to low and moderate income households may be developed through new construction, projects that assure long-term affordability or existing housing, or accessory housing units added to existing structures....Small, fully-built cities and towns that are not planned to grow substantially....may work cooperatively with other jurisdictions and/or subregional housing agencies to meet their housing targets." (AH-2) "Each jurisdiction shall evaluate its existing resources of subsidized and low-cost non-subsidized housing and identify housing that may be lost due to redevelopment, deteriorating housing conditions, or public policies or actions. Where feasible, each jurisdiction shall develop strategies to preserve existing low-income housing and provide relocation assistance to low income residents who may be displaced." (AH-3) "Success will require cooperation and support for affordable housing from the state, federal and local governments, as well as the private sector." (AH-6)

Fig. 28.3



*Comprehensive data for 2001 is not available

Fig. 28.4

Local Dollars Allocated to Low Income Housing in 2003					
	Dollars to Fund New/ Preserved Units	Operating Subsidies (Emergency / Transitional Hsg)	Total Dollars	Percent of Pop.	Percent of Total Dollars
Seattle	\$ 9,576,417	\$ 787,035	\$ 10,363,452	32%	48%
Auburn	\$ 254,990	\$ 35,000	\$ 289,990	2%	1%
KC / Small Cities Consortium	\$ 7,131,773	\$ 864,526	\$ 7,996,299	65%	51%
Regional Affordable Housing Program	\$ 3,000,000		\$ 3,000,000	(all cities)	
Total Units	\$ 19,963,180	\$ 1,686,561	\$ 21,649,741	100%	100%

Fig. 28.5

	Units Created or Preserved with Public Funds	Units Created or Preserved Through Incentive Programs	ADU's Permitted	Units Repaired
Seattle	452	485	64	304
Auburn	1	0	1	70
KC / Small Cities Consortium	519	95	59	614
Urban Planned Developments		82		
Total Units	972	662	124	988

Key Trends

- Nearly \$20 million of local funds were expended for low-income housing during 2003. This is up from \$17.8 million in 2002. This includes \$3 million allocated by the Regional Affordable Housing Program, a new funding source provided by document recording fees.
- Over 1,750 units were created or preserved for long-term affordability. This is well above the 1,400 new units created or preserved in 2002.
- 972 were created with local funds, while another 662 units were added as the result of various incentive programs, and a further 124 accessory dwelling units (ADUs) were added to the affordable housing inventory.
- Seattle contributed 48% of the local funding for low-income housing. Auburn's share was 1%. In addition they contributed to the RAHP funding. The King County Consortium contributed 51%, including RAHP funds.

Outcome: Promote Equitable Distribution of Affordable Low-Income Housing in King County

Indicator 29: Existing Housing Units Affordable to Low Income Households



Countywide Planning Policy Rationale

"Each jurisdiction shall specify the range and amount of housing affordable to low and moderate-income households to be accommodated in its comprehensive plan [and]... shall plan for a number of housing units affordable to households with incomes between 50 and 80 percent of the County median household income that is equal to 17% of its projected net household growth each jurisdiction shall plan for a number of housing units affordable to households with incomes below 50% of median income that is either 20 percent or 24 percent of its projected net household growth...(AH-2) "All jurisdictions shall... determine annually the total number of new and redeveloped units receiving permits and units constructed, housing types, developed densities and remaining capacity for residential growth. Housing prices and rents also should be reported, based on affordability to four income categories: zero to 50 percent of median income, 50 to 80 percent...80 to 120%...and above 120 percent." (AH-5)) "[The GMPC]...shall review local performance in meeting low and moderate income housing needs. The basis...shall be a jurisdiction's participation in Countywide or subregional efforts to address existing housing needs and actual development of the target percentage of low and moderate-income housing units as adopted in its comprehensive plan. (AH-6)

In the graphs below, the lines indicate the percent of households in that income group. The light blue part of the column should reach to the black line to meet the target for moderate-income housing. The dark blue part of the column should reach to the blue line to meet the target for low-income housing, and the plum-colored part of the column should reach to the plum-colored line to meet the demand for very low income housing. The percentage in each income group reflects the 2002 Census Bureau figures on household income distribution.

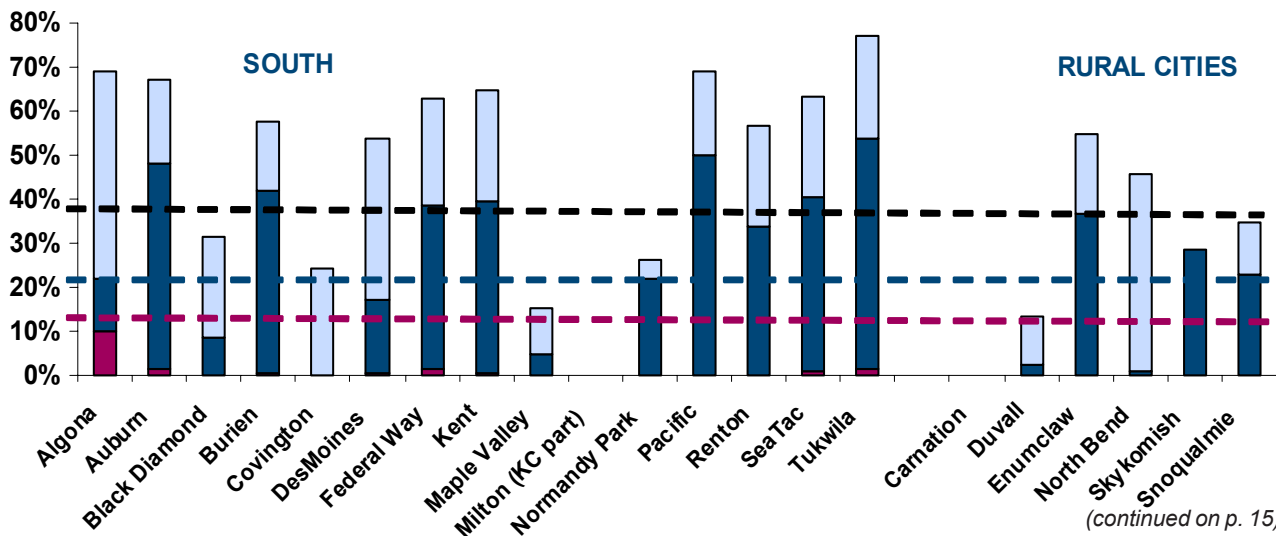
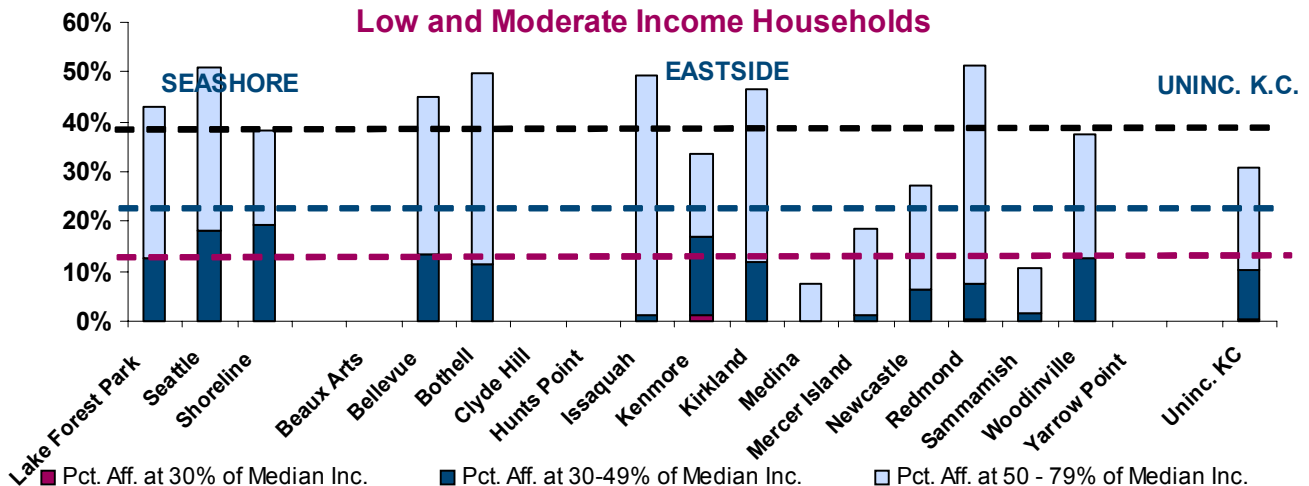
Target for Units Affordable at under 80% of Median Income (39%)

Target for Units Affordable at under 50% of Median Income (23%)

Demand for Units Affordable Under 30% of Median Income (13%)

Fig. 29.1

Percent of Housing that is Affordable to Low and Moderate Income Households



(continued on p. 15)

Indicator 29 (continued)
Fig. 29.2

Percent of Households in King County by Income Group				
	Definition	Percent in 1990 (used in CPPs)	Percent in 2002	Target for Affordable Housing Units
Very Low Income	Households Earning Under 30% of Median Income	11.1%	13.2%	No Stated Target
Low Income	Households 30 - 49% of Median Income	10.3%	9.6%	No Stated Target
Low Income (including Very Low)	All Households Earning Under 50% of Median Income	21.4%	22.8%	21 - 24%
Moderate Income	Households Earning from 50 - 79% of Median Income	17.1%	16.5%	17%
Cumulative Low and Moderate	All Households Earning under 80% of Median Income	38.5%	39.3%	38 - 40%

Key Trends

- For all of King County, just over 27% of housing is affordable to those earning 50 - 79% of median income (moderate income). This compares positively to the 16.5% of all households who are in that income group.
- While there appears to be enough affordable housing for moderate income households, only 18.8% of units are affordable to those earning below 50% of median income. 22.8% of all households are in this income category.
- Only 0.3% of units are affordable to very low income households. 13.2% of the households are in the very low income group. It is this group of over 98,000 (renter *and* owner) households that is in the greatest need for housing.
- As Fig. 29.1 shows, affordable housing is not equitably distributed throughout the County. Cities in South County, and two rural cities have disproportionately high amount of affordable housing, while most Eastside cities have very little. This creates long commutes for many low-earning workers, and militates against equal opportunity in public schooling.

Housing for Moderate-Income Households

- Twenty out of King County's forty jurisdictions have sufficient affordable housing for moderate-income residents. Cities meeting the target include all three SeaShore cities, ten of the South County cities, five Eastside cities, and two of the rural cities. At least 39% of all units in these cities are affordable to moderate income households. Twenty jurisdictions do not meet the target.

Housing for Low-Income Households

- Thirteen out of forty jurisdictions have enough affordable housing for those earning 30 - 49% of median income or less. The remaining 27 jurisdictions do not have sufficient housing for the 170,000 County households earning under 50% of median income.

Housing for Very Low Income Households

- No jurisdictions have sufficient affordable housing for those earning under 30% of median income. Algona, with 10.2% of its housing affordable to this group, comes the closest.

Fig. 29.3 **Percent of Affordable Housing Countywide**

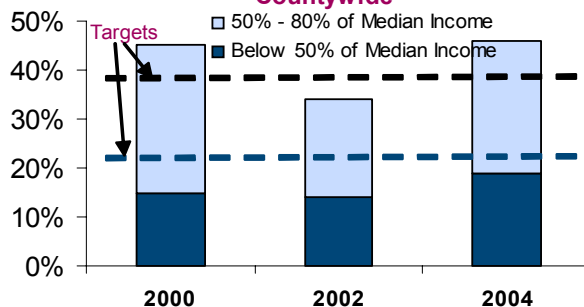


Fig. 29.4

Percent of Affordable Housing Units by City			
Jurisdiction	Pct. Aff. at 30% of Median Inc.	Pct. Aff. at 30-49% of Median Inc.	Pct. Aff. at 50 - 79% of Median Inc.
SEASHORE			
Lake Forest Park	0.0%	12.5%	30.5%
Seattle	0.1%	18.1%	32.7%
Shoreline	0.0%	19.5%	18.8%
EASTSIDE			
Beaux Arts	0.0%	0.0%	0.0%
Bellevue	0.1%	13.5%	31.4%
Bothell	0.2%	11.4%	38.2%
Clyde Hill	0.0%	0.0%	0.0%
Hunts Point	0.0%	0.0%	0.0%
Issaquah	0.0%	1.1%	48.1%
Kenmore	1.0%	15.9%	16.6%
Kirkland	0.1%	11.6%	34.9%
Medina	0.0%	0.0%	7.5%
Mercer Island	0.0%	1.0%	17.4%
Newcastle	0.0%	6.3%	20.8%
Redmond	0.3%	7.3%	43.4%
Sammamish	0.1%	1.6%	8.8%
Woodinville	0.0%	12.5%	24.9%
Yarrow Point	0.0%	0.0%	0.0%
SOUTH			
Algona	10.2%	11.8%	47.0%
Auburn	1.5%	46.5%	19.2%
Black Diamond	0.0%	8.7%	22.5%
Burien	0.6%	41.1%	15.8%
Covington	0.0%	0.2%	24.3%
Des Moines	0.3%	16.9%	36.5%
Federal Way	1.2%	37.6%	24.0%
Kent	0.3%	39.1%	25.4%
Maple Valley	0.0%	4.9%	10.3%
Milton (KC part)	0.0%	0.0%	0.0%
Normandy Park	0.0%	21.7%	4.4%
Pacific	0.0%	50.2%	19.0%
Renton	0.2%	33.7%	22.7%
SeaTac	1.0%	39.5%	22.9%
Tukwila	1.5%	52.5%	23.2%
RURAL CITIES			
Carnation	0.0%	0.0%	0.0%
Duvall	0.0%	2.6%	10.5%
Enumclaw	0.0%	36.6%	18.0%
North Bend	0.0%	1.1%	44.7%
Skykomish	0.0%	28.6%	0.0%
Snoqualmie	0.0%	23.1%	11.6%
UNINCORPORATED KING COUNTY			
Uninc. King Cty	0.2%	9.9%	20.5%
King County Total	0.3%	18.8%	27.3%

Housing Markets (continued from page 1)

The construction industry in the County saw only modest job losses compared to other sectors during the recent recession, and has begun to gain jobs again. From 2000 - 2003, homes continued to be built at a rate of over 10,000 per year.

There are two reasons that this strong home-building and home-buying market is likely to change in the next few years. First, if interest rates go up, as they are likely to do in the next year, homes that were affordable last year, will no longer be affordable to moderate-income buyers. Secondly, the demand for new housing may have peaked, and with an abundant supply, prices are likely to stabilize, and perhaps even drop.

A drop in home prices may be a good corrective for housing affordability. However, the worrisome feature of this housing market is that mid-income households may have "overpaid" for housing in the last year or two. As long as they hold onto their home, and can afford their payments, this is not a problem. It becomes a problem if 1) they have no choice but to move to a new home, and must sell in a softer market, and buy again at a higher interest rate; or 2) if they have an adjustable-rate mortgage that becomes burdensome as it adjusts upward. The latter is particularly an issue if a job is lost in a household.

In the long-term, market forces are likely to keep home purchase prices rising in proportion to income, demand, and interest rates. In the short-term, we may see some loss of equity in recently purchased homes.

What We Are Doing (continued from page 10)

- Under the direction of ARCH (A Regional Coalition for Housing), working to implement a new loan program for ADUs (Accessory Dwelling Unit) as well as a Downpayment Assistance program for first time homebuyers.
- As a part of Kenmore's downtown plan, adopting provisions to require affordable housing in new development.
- As a part of Seattle's 2004 Consolidated Plan process, beginning work on designating Housing Investment Areas.
- Proposing innovative housing initiatives for King County's Comprehensive Plan including five-story wood frame construction and cottage housing.

The **King County Countywide Planning Policies Benchmark Program** is a program of the Metropolitan King County Growth Management Planning Council. Reports on the 45 Benchmark Indicators are published annually by the King County Office of Budget. A companion to these reports is the **King County Annual Growth Report**. All reports are available on the Internet at <http://www.metrokc.gov/budget/>. For information about the **Benchmark Program**, please contact Rose Curran, Program Manager (206) 205-0715, or e-mail rose.curran@metrokc.gov. The Benchmark Program address is King County Office of Budget, Room 406, King County Courthouse, Seattle, WA 98104.

King County Office of Budget

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Data Sources

Indicator 21: Supply and Demand for Rental Housing

Data Sources: 2000 Census of Population and Housing. 2002 American Community Survey (Conducted by Census Bureau) data for King County (Tables 1 – 4). Other sources include: 1996 American Housing Survey for Seattle-Bellevue-Everett PMSA (King and Snohomish Counties) for income characteristics of renter and owner households; 2003 – 2004 revised H.U.D. income data for low-income groups; and the 2003 King County Housing Affordability Study, prepared by Dupre + Scott, Inc., updated in 2004.

Information on subsidized housing was obtained from the Seattle Office of Housing and from the King County Housing and Community Development Division (KC DCHS). Exact data on the number of subsidized units occupied by various low-income groups is not available. It is estimated that about 80% of subsidized housing is occupied by households under 30% of median income.

Indicator 22: Percent of Income Paid for Housing

Data Sources: 2000 Decennial Census and 2002 American Community Survey. Tables DP-3, Selected Economic Characteristics, and DP-4, Selected Housing Characteristics.

Indicator 24: Affordability Gap

Data Sources: For median household income in King and Snohomish County, H.U.D. income levels by household size, also available at <http://www.huduser.org/datasets/pdrdatas.html>. For median prices of single family homes and condos sold, the Northwest Multiple Listing Service, and The Central Puget Sound Real Estate Research Report, published semi-annually. For the percent of homes for sale at various affordability levels, the 2003 King County Housing Affordability Study, prepared by Dupre + Scott, Inc. using data from the Northwest Multiple Listing Service and MetroScan, and updated in 2004. For median values of homes in census years, the 1970, 1980, 1990 and 2000 Decennial Censuses. For conventional interest rates, the Summary of U.S. Housing Market Conditions published by H.U.D. and available at <http://huduser.org>. For comparison of affordability across the U.S., the Coldwell Banker Home Price Comparison Index.

Indicator 26: Apartment Vacancy Rates Data Sources: Rental vacancy rates by sub-areas are based on a twice yearly survey of apartment properties with more than 20 units, by Dupre + Scott, Inc. and published in The Central Puget Sound Real Estate Research Report, Vol. 55, 1 & 2. The vacancy rates have been averaged over the two semi-annual survey periods.

Indicator 27: Trend in Housing Costs vs. Income

Data Source: For median household income in King and Snohomish County, H.U.D. income levels by household size, also available at <http://www.huduser.org/datasets/pdrdatas.html>. (See table on page two). For average rents and median home prices, Central Puget Sound Real Estate Research Report.

Indicator 28: Local Dollars Spent for Low-Income Housing

Data Sources: Data on local dollars spent, and regulatory incentives is supplied by the King County and Small Cities Consortium, by the Seattle Office of Housing, by non-profit housing consortiums (ARCH and REACH), and by individual cities. It was compiled by King County Housing and Community Development Division. Information on units funded, ADU's created, number of units built through regulatory incentives, and units repaired was also supplied by these sources.

Indicator 29: Existing Housing Units Affordable to Low Income Households

Data Sources: For existing housing stock by structure type and tenure type: 2000 Census of Population and Housing, Tables DP-3 and DP-4, updated with King County permit data for 2000 – 2002. 2002 Central Puget Sound Real Estate Research Report for update of rental rates. For 2004 analysis of percentage of both rental and for-sale units that are affordable at various income levels: Dupre + Scott, Inc., King County Housing Affordability Study (November, 2003 and 2004 Update). Revised H.U.D. income eligibility limits for median income by household size.